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TAGS: ECON EFIN IZ

SUBJECT: MINISTER OF PLANNING SAYS BUDGET EXECUTION IS IMPROVING, SLOWLY

Classified By: Economic Minister-Counselor Daniel Weygandt for reasons 1.4 (b) and (d).

¶1. (C) In a May 7 meeting with Coordinator of the Economic Transition Ambassador Carney, Minister of Planning and Development Cooperation (MoPDC) Ali Baban said that slow budget execution is a systemic, government-wide problem, although MoPDC data indicates that it is improving compared to 2006. He noted that reviewing contracts with the High Contracting Committee was very time-consuming and yet still not providing sufficient oversight over spending units. Minister Baban indicated interest in the 607 contracting mechanism, and requested further details on how the mechanism would work.

¶2. (C) Ambassador Carney noted that IRMO/ITAO will be augmenting Deputy Prime Minister Barham Salih's staff dedicated to improving budget execution with four experts. He also highlighted the need for roving 'Tiger Teams' to provide technical assistance to the provinces. Minister Baban said he was grateful for the help, and that the MoPDC already sends people out to assist provincial officials, whose expertise he described as "very limited".

¶3. (C) Minister Baban described his response to the International Compact with Iraq launch in Sharm el-Sheikh on May 3. He considers a national compact much more important than an international one, and thinks that the former should have been developed before the latter was endorsed. Minister Baban is also concerned about the list of commitments made by Iraq in the Compact, saying that the "first commitment of the Iraqi government should be to the Iraqi people". "I wanted to share these views during the launch meeting," Minister Baban said, "but Prime Minister Maliki asked me not to embarrass the Iraqi government, and I respect his position."

SPECKHARD